Message Text

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INFO OCT-01 ISO-00 ONY-00 /004 R

DRAFTED BY EUR/EE:I M SILINS/S FROMOWITZ:MHF APPROVED BY EUR/EE:C W SCHMIDT DESIRED DISTRIBUTION FOR EUR/EE ONLY; 3 COPIES ONLY

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R 172327Z FEB 78 FM SECSTATE WASHDC TO AMEMBASSY BUCHAREST

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FOR SIMONS FROM SCHMIDT

E.O. 11652: GDS

TAGS: OGEN

SUBJECT: OFFICIAL/INFORMAL

1. UNGUREANU CLAIM. PRESSURE IS MOUNTING FROM LAWYERS REPRESENTING TUDOR/UNGUREANU FOR SOME PROGRESS, AND WE ARE CONCERNED AT THE LACK OF ANY ROMANIAN RESPONSE TO OUR NOTE OF DECEMBER 6, 1977. MOST RECENTLY, KWIATEK OF L HAS LEARNED THAT EDWARD MERRIGAN, THE WASHINGTON LAWYER WHO IS A FRIEND OF SENATOR LONG AND WAS A KEY FIGURE IN MAKING THE CZECH CLAIMS/GOLD LINKAGE, HAS TAKEN ON THE CASE. WE HAVE FURTHER HEARD THAT LONG MAY PROPOSE AN AMENDMENT TO THE TRADE ACT WHICH WOULD DENY MFN TO ANY COUNTRY IN VIOLATION OF ITS COMMITMENTS UNDER A CONSULAR CONVENTION WITH THE U.S. THIS MUST BE CHARACTERIZED AS HEARSAY, BUT THE POSSIBILITIES FOR TROUBLE ARE OBVIOUS. PLEASE BRING THIS TO NICK'S ATTENTION AND SEE IF HE CAN FIND AN OPPORTUNITY TO RAISE THIS ISSUE WITH GOR DURING HIS MEETINGS IN BUCHAREST. CONFIDENTIAL

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2. PUNGAN VISIT. AFTER A VERY BUSY WASHINGTON SCHEDULE, ON WHICH WE WILL BE REPORTING IN FULL, PUNGAN LEFT THURSDAY NIGHT FOR PITTSBURGH TO TALK WITH WESTINGHOUSE AND VISIT A NUCLEAR POWER PLANT. HE WILL BE IN SAN FRANCISCO SATURDAY THROUGH MONDAY (GM ASSEMBLY PLANT, ENERGY TALKS AT UCLA), DALLAS ON TUESDAY (TEXAS INSTRUMENTS), LITTLE ROCK WEDNESDAY

AND THURSDAY (OZARKS REGIONAL COMMISSION), AND EXPECTS TO DEPART FROM NEW YORK SATURDAY MORNING, ARRIVING IN BUCHAREST AT 3:35 P.M. ON TAROM 216 FROM FRANKFURT. HE APPEARED PLEASED WITH HIS WASHINGTON SCHEDULE, EXCEPT THAT HE DID NOT MEET WITH THE PRESIDENT. THE MEETING WITH PATT DERIAN WAS A BIT ROCKY, AND PUNGAN WAS VISIBLY PENSIVE AFTERWARDS, BUT IT ENDED ON A RELATIVELY POSITIVE TONE. YOU SHOULD ALREADY HAVE THE FULL REPORT. PUNGAN, BY THE WAY, DID NOT RPT NOT AGREE TO MEET WITH OTHER CSCE COMMISSION MEMBERS IN ADDITION TO CHAIRMAN FASCELL. HE INSISTED ON A TETE-A-TETE WITH CHAIRMAN FASCELL, TO WHICH FASCELL AGREED. WE DO NOT YET HAVE A READOUT, BUT FASCELL APPEARED RELATIVELY PLEASED AFTER THE MEETING, WHICH LASTED FOR A FULL HOUR.

- 3. VIENNA LETTER. APOLOGIES FOR THE DELAY, BUT THE RUSSIAN FLU IS SPREADING WIDELY IN WASHINGTON AND HAS APPARENTLY WIPED OUT INS. WE CONTINUE TO PUSH FOR A MEETING AND SHOULD HAVE ONE EARLY NEXT WEEK. YOUR IDEA FOR A NON-VISA MET WITH A SYMPATHETIC REACTION AND IN FACT SOMETHING ALONG THOSE LINES WAS ALREADY BEING CONSIDERED BY VO.
- 4. HUMAN RIGHTS. AS NICK WILL TELL YOU, PATT DERIAN FEELS SHE HAS NEGLECTED EASTERN EUROPE UNTIL NOW (WE HADN'T NOTICED) AND INTENDS TO GIVE IT GREATER ATTENTION. THE CONFIDENTIAL

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LATEST MOVE ALONG THOSE LINES IS AN ATTEMPT TO INJECT US INTO THE EMIGRATION OF ETHNIC GERMANS FROM ROMANIA, AN AREA WHERE WE FEEL WE HAVE LITTLE TO CONTRIBUTE AND MAY ACTUALLY DO CONSIDERABLE HARM BY JEOPARDIZING THE GOR-FRG UNDERSTANDING REACHED DURING SCHMIDT'S VISIT TO BUCHAREST. DO YOU HAVE ANY REASON TO BELIEVE, AS HA CLAIMS, THAT THE FRG MIGHT WELCOME OUR SUPPORT, THROUGH PRIVATE REPRESENTATIONS, OF THE FRG'S BILATERAL NEGOTIATIONS WITH THE GOR ON EMIGRATION OF ETHNIC GERMANS?

5. CCC CREDITS/HUMAN RIGHTS. ROMANIAN RESPONSE TO NAC'S FAILURE TO ACT ON TUESDAY (WHICH THEY UNDOUBTEDLY LEARNED OF VERY PROMPTLY) WAS SWIFT AND FORCEFUL. NICOLAE WAS IN TO SEE ACTING GENERAL SALES MANAGER (GSM) THIS AFTERNOON AND COMPLAINED ABOUT "HARASSMENT" IN FORM OF REPEATED REQUESTS FOR ADDITIONAL INFORMATION (I.E., ABOUT CANCELL-ATION OF CASH CONTRACTS FOR SOYBEAN MEAL AND RUMORS OF TRANSSHIPMENTS TO YUGOSLAVIA). NICOLAE SAID THAT THERE HAD NEVER BEEN REAL CANCELLATION, ONLY PROBLEM WITH QUALITY, AND THAT THE CONTRACT FOR 50,000 TONS MEAL WAS BACK ON TRACK. REGARDING TRANSSHIPMENTS, NICOLAE CONFIRMED THAT ROMANIA SWAPPING 68,000 TONS MEAL (FROM U.S. AND BRAZILIAN

CASH SALES) FOR 138,000 TONS YUGOSLAV CORN. HE URGED

IMMEDIATE APPROVAL SO THAT SHIPMENT CAN BE MADE IN FEBRUARY. WITHOUT CONSULTING STATE, GSM GOT NAC TO REINSTATE ON AGENDA FOR THIS TUESDAY SESSION AND SENT LETTER TO NAC REPS URGING APPROVAL IN LIGHT OF FACT THAT GOR HAD RESOLVED OUTSTANDING QUESTIONS.

6. WE HAVE CONSIDERED WHETHER IT IS WORTH TRYING TO GET NAC TO POSTPONE ACTION FOR ANOTHER WEEK, BUT HAVE CONCLUDED (SUBJECT TO FURTHER DISCUSSION WITH LUERS) THAT:

A) ROMANIANS HAVE ALREADY GOTTEN MESSAGE (UNCLEAR THOUGH IT MAY BE); B) SINCE WE DON'T WISH TO MAKE ANY DIRECT LINKAGE WE WOULD BE HARD PRESSED TO JUSTIFY TO OTHERS IN CONFIDENTIAL

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NAC WHAT WE WISH TO GAIN BY HOLDING OUT LONGER; AND C) THIS IS NOT THE TIME IN U.S. TO RISK LOSING LARGE AGRICULTURAL CONTRACT. WE THEREFORE EXPECT TO LIFT OUR "HOLD" ON TUESDAY.

7. WE WOULD APPRECIATE YOUR SHARING ALL OF THIS MESSAGE WITH NICK ON HIS ARRIVAL. HE SHOULD ALSO KNOW THAT, IN CONNECTION WITH PARA 4 ABOVE, BILL LUERS WANTS TO ARRANGE FOR A BRIEFING OF PATT DERIAN ON THE HISTORY AND NATURE OF EASTERN EUROPEAN MINORITY PROBLEMS -- ESPECIALLY THE HUNGARIAN ETHNIC MINORITY IN ROMANIA -- WHICH WOULD LAY OUT THE FACTS AND THE POLITICAL AND EMOTIONAL CONTENT OF THESE ISSUES, AND THEN RELATE THEM TO THE CONTEMPORARY ENVIRONMENT. HIS CANDIDATE TO DO THE BRIEFING IS NICK, ASSISTED BY BOB KING. FINALLY, DANA SAYS ALL IS WELL AT HOME. VANCE

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Message Attributes

Automatic Decaptioning: Z Capture Date: 01 jan 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: n/a Control Number: n/a Copy: SINGLE Draft Date: 17 feb 1978 Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 20 Mar 2014 Disposition Event:

Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE043081
Document Source: CORE

Document Unique ID: 00

Drafter: I M SILINS/S FROMOWITZ:MHF

Enclosure: n/a Executive Order: GS Errors: N/A

Expiration: Film Number: D780076-0488

Format: TEL From: STATE

Handling Restrictions:

Image Path: ISecure: 1

Legacy Key: link1978/newtext/t19780239/aaaabgtb.tel

Line Count: 152 Litigation Code IDs: Litigation Codes:

Litigation Codes. Litigation History: Locator: TEXT ON-LINE, ON MICROFILM Message ID: 67fa07d4-c288-dd11-92da-001cc4696bcc Office: ORIGIN EUR

Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a Page Count: 3
Previous Channel Indicators: n/a

Previous Classification: CONFIDENTIAL Previous Handling Restrictions: ONLY

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 26 apr 2005 Review Event: Review Exemptions: n/a **Review Media Identifier:**

Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 3552782 Secure: OPEN Status: NATIVE

Subject: OFFICIAL/INFORMAL

TAGS: OGEN
To: BUCHAREST Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/67fa07d4-c288-dd11-92da-001cc4696bcc

Review Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014